

Transcript - March 31 AmeriCorps Rulemaking Session

AMERICORPS RULEMAKING SESSION

MARCH 31, 2004

WASHINGTON, DISTRICT OF COLUMBIA

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PROCEEDINGS

The public meeting in the above-entitled matter convened, pursuant to notice at 1:10 p.m., before:

STEVE GOLDSMITH, Chairman of the Board, Corporation for National Community Service
DAVID EISNER, CEO Corporation for National Community Service
ROSIE MAUK, Director, Americorps
GRETCHEN VAN DER VEER, Director Leadership Development and Training

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MR. GOLDSMITH: If we could get started. All have a seat. Thank you for joining us. My name is Steve Goldsmith. I'm chairman of the Board of the Corporation for National Community Service, and I appreciate this terrific response to our notice. I want to particularly thank David Eisner, who has spent most of his 24-hour workdays listening in an effort to actually pay attention to what folks who are affected by our programs have to say.

As you know, we're in the midst of a rebuilding period at the Corporation, and as part of the significant increased funding that the Congress provided at the President's request, we've committed to an inclusive rulemaking that will address some very important issues about which reasonable and committed people can disagree, as a matter of fact, and this process is a serious one to listen and try to pay attention and harmonize those views.

So since we're here to listen and not talk, let me just again say thank you so much for your time and your commitment to service, and let me introduce David Eisner, the CEO of the Corporation. David.

MR. EISNER: Thank you, Steve, and thank you for your guidance as chairman of the Board and also for your work in bringing the Board's attention to rulemaking through the committee that we have in place on rulemaking, and for finding me and getting me this terrific job.

We do, as Steve said, wanted to spend most of our time listening. Quickly before we do that, I want to make a couple of introductions. Rosie Mauk, Director of Americorps. Gretchen Van De Veer, who is our Director of Leadership Development and Training.

And because, you know, we've been fortunate to be able to have our program officers and senior program officers when we go out to different parts of the country join us, but because this one's in D.C., we invited the program officers staff to come. So I'd like you all to stand. Thank you all very much for being here and for the incredible work that you do and that impacts all of what these people do to make service meaningful across the country.

Let me give a very quick lay of the land. As Steve said, we are going to do rulemaking. We're working on having it done by the time of the '05 branch cycle, which means that we're on a very accelerated time-frame. It's no surprise to all of you that we've had a very difficult couple of years, but now we have some very significant momentum. In part, a lot of that momentum is built because of what our grantees were able to do in casting attention to the powerful impact that the program has been having across the country over the last decade. And as the program was potentially threatened over the last couple of years, the impact of shining a spotlight on it made people realize you don't know what you got until it's gone, as the saying goes.

And so now we have stronger bipartisan support, more public awareness, hundreds of newspapers at the national, regional and local levels giving us strong support, virtually every governor signaling strong support for the program, and the job at the Corporation is to capture that momentum and move it forward, absent any crisis.

And there's a few things we need to do in order to do that. One is to focus on execution--actually meet our deadlines, get the money out and the orders out when we say we're going to, be responsive to our customers, re-earn the trust and credibility that we need to have. And the other thing that we need to do is deal with some of the intractable issues that have for years and years, every appropriations cycle, threatened to bring our program into chaos.

And what it means for the grantees is you don't have predictability. You can't go to partners and build long-term relationships because they will ask you, well, what's the future of National Service. What evidence do you have this program will be around next year, the year after that. You don't know from year to year what the matching requirements are going to be. You don't know from year to year what the restrictions are going to be. You don't know year to year what the federal cost is going to--the federal share and the cost for FTE is going to be.

We're trying to take that whole process out of this annual churn, put it into regulations so that you have predictability, and moreover, we are trying to take these tough issues that get a thought over every year on sustainability matching federal share, as well as a bunch of others that are sort of less--a little bit lower volume and settle them in a way that everyone believes that we've dealt with the issue, we've taken it off the table and we have done it through a fair and open process with an equitable and fair solution.

The most important thing that we found in moving that process forward is what we're doing right now, which is the pre-rulemaking process. Rulemaking usually starts when you issue rules, and then have an open public comment period. What we're doing in this process is prior to issuing rules, we're getting comments and ideas and feedback

from the people that know the program best, and I'm pleased to report that after three public meetings, this is the fourth, that after two conference calls, that we were exactly right.

We have been getting information and ideas and cautions that we would not have either known about or put sufficient priority on, so I am now confident that our draft rules are going to be much better as a result of having gone through this process, and I'm looking forward to this meeting and the next ones so that we can be as good as we can be at the draft rule process.

The other thing that is very important is that we now have a lot more flexibility. We can have an iterative discussion with you. If somebody testifies about something interesting, we can call them up now and ask, well, can you tell us some more about that idea. Once we issue our draft rules, our conversation with the public will be much more restricted because every conversation needs to make it into the record, which means it can't be iterative, and in addition, we can't be as flexible because once we have our draft rules out there, it's very unlikely that we're going to grab onto a new idea and try it out at the final rule stage. So once we've got our draft rules done, they will likely be the framework for moving forward into the final rule discussion.

So I understand it's very difficult to speak theoretically about fears or ideas or cautions when you don't have a rule or a paper to respond to, but it is the best, smartest way for you to engage, and I hope if any of you know people who are sort of keeping their powder dry until they see what the rule is so they can respond then, encourage them to engage as well.

I'm going to turn it over to Rosie to walk through what some of the specific issues are. But before I do, let me just repeat two things. We have no pre-determined outcome. We are not starting to write anything until April 5th, which is coming up pretty quick. We know that we're going to answer Congress' and the President's and our Board's call to do rulemaking in a way that's more efficient, decreases federal cost, increases accountability, encourages sustainability. But there are many, many different approaches that we've already heard and many ways that we can think of for doing it. And we have no pre-determined outcome here.

The second thing I just want to re-stress is that we're determined that the process be fair and open, and we are very determined that the outcome be equitable and fair. And the good thing is that you'll all have an opportunity fairly soon to see if we got it right. With that, let me turn it over to Rosie.

MS. MAUK: Thanks, David. Welcome, everybody. And it is nice to be here where all of our staff could come if possible, and I noticed that after David introduced folks, I saw about five more people come in. So to the program staff that just walked in, you were all just introduced and thanked for the work that you do.

I hope that everybody--I presume if you've taken the time to come spend three hours with us today, you've looked at the materials. You've looked at the issues. We're trying to keep our website really updated. Continue to go there. We're going to try and keep as much information as up to date as possible. Gretchen's going to talk later about our process, but I'm going to address as quickly as possible the kind--seven key issue areas that we've outlined in the Federal Register that you will see on our website and give you some reasons why we've been asked to address each one of these issues.

The first issue area is a little more general, open discussion, and that is as Americorps continues to grow, what changes can you identify to make the program more efficient and effective? Over a year ago, our Board of Directors recommended to the grant-making task force that we eliminate or greatly streamline our annual guidance by converting appropriate application guidance and provisions into regulations. So the Board of Directors recommended that we consider this a long time ago, and so it's one of the big reasons that we're underway with this, but we hope that's one of the questions you will also help us address.

One of the big issues, sustainability, a couple questions we'd like you to help us address - how can the Corporation and the field achieve the right balance of federal and private support. To what extent should the level of Corporation support for a program or project decrease over time. How can the Corporation further support and encourage greater engagement of Americans in volunteering.

Our Board and our appropriators have asked us at the Corporation to define sustainability. And Congress has said to us, "the Corporation may establish policies and procedures to set limits on the number of years recipients may receive assistance to carry out a project, increase match requirements and implement measures to determine whether projects are generating sufficient community support."

In regards to the federal share, should the Corporation calibrate matching requirements to reflect the differences among programs. Should the Corporation adopt matching requirements for member-related costs that are different from requirements for other program operation costs.

The White House in its Executive Order to us said, "National and community service programs should leverage federal resources to maximize support from the private sector and from state and local governments with an emphasis on reforms that enhance programmatic flexibility, reduce administrative burdens and calibrate federal assistance to the respective needs of recipient organizations."

Our appropriators have said "to the maximum extent practicable, the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector, and shall reduce the total federal cost per participant in all programs."

In the area of performance measures and evaluations, some things we'd like you to help us consider what are appropriate performance measures for our programs, and how should grantees evaluate programs. Again, the White House said to us, "National and community service programs should adopt performance measures to identify those practices that merit replication and further investment as well as to ensure accountability."

In the area of literacy and reading tutors, how can we ensure that members serving as reading tutors have the skill and ability to provide the necessary instruction to the populations they serve. And what should the curriculum and training requirements be for literacy programs. In the Executive Order, it said, "National and community service programs based in schools should employ tutors who meet required para-professional qualifications and use such practices and methodologies as are required for supplemental educational services." And two more areas on the timing of our grants.

Does the current time-frame for awarding grants work, and what improvements can we make.

Our Board of Directors, again well over a year ago, asked the Corporation to consider shifting our grant calendar back, and our appropriators have said "the conferees encourage the Corporation to consider a change to the grant cycle so that grant awards can be made to recipient organizations before the organization recruits members to fill awarded slots."

And last, the selection criteria. What criteria should the Corporation use in selecting programs. How can the Corporation streamline its grant application process for continuation applications. Our appropriators have said, "The Corporation is to ensure that priority is given to programs that demonstrate quality, innovation and sustainability."

So with those issues in front of us, we hope that's what some of your messages to us will be. Gretchen's going to walk us through the process. We've got a few people we've identified to come up here and start us off first, and we look forward to the next two and a half hours.

MS. VAN DER VEER: Thank you, Rosie. My role is to be the facilitator of this afternoon so that I can be managing the process of the meeting and making sure that the right folks get up here at the right time to say what they have to say, hopefully to speak to one of those issues that Rosie just outlined for us.

And Rosie and David's job is as they said to listen, and so that they can be listening and paying attention and thinking about what kinds of clarifying questions they might like to ask of our panelists. I will be keeping the trains running on time hopefully so that everybody who wants to speak today will have a chance.

I was just reminiscing with Kitty Berque who helped us with the Ohio rulemaking meeting about the fact that we have been successful at making sure everybody who wants to speak does get to speak. And that is our goal is, again, to listen and to make sure that those of you who has something to say has a chance to say it. At the same time, however, David and Rosie want to make sure that they really understand what each panelist is saying, and if they have any questions, we also want to have time for that. So I'm going to be managing those two goals and bear with me if I make any modifications to the agenda which hopefully you all have.

How we're going to be doing this is there are five pre-selected panels at this particular session. And I will be calling those panels up to the table here. When the first panel comes up, the second panel will, as they say, be on deck here in the first row, and I want to commend panel number two who has already figured out who they are, and they're on deck. Let's hear it for panel two. Okay. When you get up here, what we need you to do is to state your name and affiliation for the record because we do have a court reporter who is recording everything. And when this is over, we hope to have a transcript of this with the appropriate name matching the appropriate testimony. And we will be posting this on the website, rulemaking@CNS.gov, www.rulemaking.

So again we want to make sure that you state your name and affiliation. You will have four minutes to provide your testimony, and at the three minute mark, you will see this-yellow light means what? Caution. And then at the four minute mark, you will see

this--stop. Very good. I knew this group was a smart group. Okay. So at the four minute mark, you will be hopefully wrapping up your comments. At that point, we will go on to the next panelist.

When all four panelists have had a chance to deliver their testimony, I will look to Rosie and David. I will ask them if they have any clarifying questions for the panelists, and we will have some back and forth between the panelists and Rosie and David, if, in fact, Rosie and David need clarification of anything. And then we will have the next panel come up, and I will ask the other panel on deck to come on deck.

If in fact we get through these five pre-selected panels, we will go to the folks that have signed up on site. We only have four at this point, and if we get through that, and we still have time, we will have people line up here at the mike, and we will allow those of you who weren't planning on speaking and didn't sign up as you entered the room, but the spirit moved, and you feel like speaking. Hopefully, we'll have some time for you to do that.

So that's how things are going to run this afternoon, and at the very end, we will wrap up with giving you some further information about how you can stay engaged in this process because as David said until April 5th, we're still in this iterative talk-to-us-we-can-talk-to-you phase.

So anyway with that, I will call our first panel up, and on our first panel is Wendy Spencer from the Florida Commission; David Muraki from the California Commission; Audrey Suker from the Minnesota Commission; and Derrick Crandall from the Earth Conservation Corps. I'm going to ask Wendy to go first, followed by David, Audrey, and then Derrick. And I don't need to call up Panel 2 to be on deck because we all know they're already there.

Okay, great. Wendy.

MS. SPENCER: Thank you very much. Wendy Spencer, Volunteer Florida, chief executive officer, the new kid on the block. I don't know why in the world I'm going first. But what we decided to do in our panel is take a few key issues that our states feels passionate about. We feel passionate about a lot of them, but just to reduce the redundancy selected one, and mine is performance measures and evaluation. But I want to give you just a quick background on Florida to know how important this is to Florida.

First, Volunteer Florida is an ardent supporter of the Corporation, and we thank you for the work that you're doing. Over the past 10 years in Florida, we've had 4,000 Americorps members who have served over 4 million hours. And of that, our reading corps is very important to us. It's about 60 percent of our program. And through the 10 years, 48,000 students have been mentored and tutored by Americorps members. Of which, 75 percent of those students have received significant reading improvement.

And I'm going to just quote one of the country's foremost reading experts, and his name is Dr. Joe Torgeson from the Florida Center for Reading Research. In his quote, he says, "Americorps members are a very valuable resource in our efforts to lead no child behind in reading. A big part of their unique value arises from the fact that they can provide individualized instruction to children who need it to make adequate progress in learning to read. If it were up to me, I'd love to see Americorps members in every reading for

school in Florida." And I give you that background just to let you know how important performance measures and outcomes are to us and how committed Florida is to it.

I'm going to be submitting a paper to you addressing a few of the key issues, all seven issues. This paper is for your consideration and was drafted after our Americorps members, Americorps program directors and Volunteer Florida staff had received input, provided input. It was then discussed and approved at our commission meeting this Monday, March 29th, and unanimously approved. So we'll submit that in writing to you.

Pertaining to the issues of performance measures and evaluation. We agree that any program worthy of federal dollars and local investment should be accountable and proven successful for consideration of continued funding. Volunteer Florida supports the current Corporation policy in requiring all programs to develop performance measures. However, most lead agencies do not have the resources to conduct extensive independent evaluations.

We encourage Corporation to include language that recommends but does not require an external evaluation unless additional funding becomes available to offset the cost of such an evaluation. An alternative would be to empower a task force to study the viability of a national performance measuring tool that has flexibility while providing a method to track successes of Americorps programs. So that's our recommendation for performance measures.

And while I have one minute, the few other issues that we discussed. We support the current federal cost per member of \$12,400 and discourage a decrease level of funding. We ask for clearer definition on sustainability as well as an in-depth study for the review of best practices and focus groups, and we seek to comply with no child left behind program strictly seek to comply. We remind the committee that Americorps members are volunteers and recognized as such by the Department of Education and should be treated as volunteers under strict guidance and oversight of certified teachers and reading specialists to ensure that quality. To ensure that qualified members are being selected for school reading programs, we have listed some safeguards in our position paper for your consideration that include basic adult education, test, submission of writing samples, and even reading before an interviewer, as well as performance evaluations and close observation of members and that is what we submit to you. Perfect timing, and thank you very much.

MS. VAN DER VEER: Way to model it for the rest of them, Wendy. Okay, David, you're next.

MR. MURAKI: Thanks. David Muraki, deputy director of the California Commission, Governor's Office on Service and Volunteerism, Go Serve, for short.

California will be submitting probably volumes of input from various sources, and my goal is just to hit a couple of high points of the positions that are taken by the staff and the commissioners of Go Serve. But I wanted to just draw your attention to one part of our written testimony which is going to be from a select group of our commissioners who have long careers in philanthropy and have really wrestled with the sustainability issue in particular.

That is not the issue I'm going to address. I'm going to address capacity building and just the high points of the limits on federal sharing if I have enough time before the

lights go on. In terms of capacity building, Go Serve strongly supports the strong emphasis on volunteer mobilization, we believe that because Americorps programs represent a potential infrastructure for volunteer mobilization and because Americorps programs have clear and compelling service objectives, that Americorps can be much more than just a brokering service for short-term volunteers.

Go Serve believes that the volunteer component of any Americorps program is a valuable component when the volunteer activities substantially address the needs that are the focus of the program, or better yet the service objectives that are the focus of the program, and that the volunteer component be cost effective, that is that the effectiveness--the impact of the volunteer is greater than if the Americorps member just provided direct service themselves.

Go Serve believes that the new competencies and capacities required of an Americorps program to run a volunteer program are not to be taken lightly, and we believe that resources should be provided to Americorps programs for such functions as volunteer recruitment screening, coordination, transportation, and a recognition in a discrete budget line item of the Americorps proposal that is not subject to the cost per FTE calculation.

Go Serve recommends that Americorps applications that are focused entirely on "capacity building rather than direct service" be considered as pilot programs and that an evaluation be conducted by the Corporation to inform future development of policy and regulation related to such programs. In California, we have run such a pilot, and we found that the capacity building programs, they just cannot compete against the direct service programs because the objectives are not as clear, and so I think room needs to be cleared out so that capacity building programs can compete.

We believe that Americorps already has a resource for capacity building and that is Vista, and it would be great if Vista and Americorps resources could be accessed in a simple, streamlined way by an Americorps applicant and that might avoid the necessity of a whole bunch of rulemaking on Americorps in the capacity building area.

We recommend against any regulation of a permanent nature that would allow broad and unspecified range of activities it could be argued to build capacity. We don't want to see our Americorps members doing door-to-door solicitation. And there are probably other activities as well.

We support the adoption of regulations that prohibit displacement of volunteers by Americorps members, and we believe that every applicant should justify the use of Americorps resources. The Americorps activities should be of a type that requires that type of resource rather than a more traditional volunteer. Okay, that was one issue.

MR. EISNER: You said you were going to submit the rest.

MR. MURAKI: I will submit the rest.

MR. EISNER: Thank you.

MS. VAN DER VEER: Okay, great. We've had an addition to panel 1 that was apparently entered into the panel after the agenda was done. So I'm going to introduce Kathleen Joy from the Oregon Commission. Why don't you go ahead, Kathleen?

MS. JOY: Always the secret witness. I'd like to speak this afternoon, and I'm sorry I can't make eye contact with you from the corner, but you'll understand, on qualifications and requirements for tutors in literacy programs.

The Oregon Commission for Voluntary Action and Service strongly requests that this policy be revised to adequately reflect reasonable tutor requirements in line with No Child Left Behind and to not disqualify existing and potential well serving committed Americorps members.

We requested the language be changed to reflect that schools do not employ members. Members are recruited and placed as tutors under strict supervision of a certified teacher or reading specialist, and members serve in the

capacity of volunteers, not staff. Their service hour requirements allow them to receive more intensive training and serves students more consistently than traditional volunteers.

This policy would also be in direct conflict with the steps programs are asked to make towards sustainability. Programs are engaged in recruiting volunteers as part of sustainability. Not all of the volunteers recruited by Americorps members have a minimum associate degree. However, the purpose of recruiting volunteers is to eventually continue the service provided by the Americorps members.

You asked for some recommendations on how you were going to deal with this. You also asked about training and curriculum for members. I'm going to recommend to you that you consider the curriculums adopted by the participating schools and districts as the appropriate curriculum for those members, that members who are placed in schools and are doing tutoring have to by virtue of No Child Left Behind align themselves with an approved curriculum, and that it's not another step that you need to take to worry about because it's happening through the Departments of Education.

I do have two different sets of suggestions for you as to how you are going to make this happen regarding your being able to feel comfortable that Americorps members indeed are competent to provide the services that they're performing. The first one comes from Bill Basl and I who were two of the first commissions to go through the agony of a long, drawn out audit process in which every sort of record that was ever compiled by a commission came under the scrutiny of the inspector general. I am personally, and on behalf of my program and program staff, committed to keeping the amount of required paperwork to certify a member's eligibility to do anything to an absolute minimum. And I think that many people would agree with me. Bill and I would like you simply to let us leave it at the state level for us to do that certification and for you to add a certification line in the commission certifications that come in with the application that we certify that they meet the minimum requirements as required by that district.

Other colleagues who have bigger programs and bigger staffs than I do are willing to look at such things as basic education tests, submission of writing samples, conducting interviews in which children read, performance evaluations done by teaching staff. I suspect somewhere in between Bill and I's willing to sign off and a desire for you to have

something in writing, you can find a balance, but I urge you not to make this an issue that is so paperwork heavy that people cannot comply.

MS. VAN DER VEER: Thank you, Kathleen. Okay, Audrey. You're up next.

MS. SUKER: Hello, I'm Audrey Suker, executive director of Serve Minnesota and Minnesota's Commission on National Community Service. First thing I want to do is thank you for this opportunity. I could not be more grateful for a chance to comment before the rules are written. We have been paying in Minnesota very close attention to the rulemaking process and what's been said by our colleagues around the country, and have been listening very carefully to try to see a path out of the fear that the rulemaking process brings. I want to make it clear that in Minnesota and with my colleagues we have no fear of areas where Congress wants accountability. No fear at all.

We do, however, have a fear that we might in this process forget to trust what we know about entrepreneurial organizations. State commissions are entrepreneurial organizations with governor-appointed boards of directors. And one thing that we know about entrepreneurial organizations is that we thrive when there are clear targets for performance. But if the path that we have to take to a target is prescribed for us, creativity is lost and the chance of failure becomes high.

I want to give you two Minnesota examples where we are afraid of a possible prescribed approach. The first is a partnership that we have with our Head Start Association. Last year the Minnesota legislature formed a partnership between Serve Minnesota and the Head Start Association and a consortium for evidence in education. And the specific purpose of that was to make it possible for Head Start to have the resource of a people power of Americorps to help them achieve the president's vision of developing an early literacy skills of Head Start children.

We are in our first year of operations. We are currently working with 400 four-year-olds in Minnesota. We have our sights on reaching every four-year-old across the entire state. That will take us some time. We do not want to go forward being afraid that we will have to potentially end this program because of a time period that has expired in terms of sustainability--accountability that gets set.

The second example that we want to speak about is involving the private sector. Minnesota

With some flexibility, however, I am confident that Minnesota

MR. EISNER: Thank you.

MS. VAN DER VEER: Thank you, Audrey. Okay, David Crandall.

MR. CRANDALL: It's--

MS. VAN DER VEER: Derrick.

MR. CRANDALL: -- Derrick Crandall, and I am the volunteer chairman of the Earth Conservation Corps, and I'm delighted to appear here today on behalf of 20 active Americorps members, a wonderfully dedicated staff, and a very interesting board of

directors that includes Ethel Kennedy and Rodney Slaytor, LeVar Burton and Cheryl Tieg, and I can assure you that each one of them is actively involved in our program and contributes in a very real way.

ECC is the oldest of the D.C. area environmental youth service organizations. We've been in existence since 1992, and we have over the course of 12 years had 320 full-time corps members that have collectively provided 250,000 hours of activity on the Anacostia River for restoration and other purposes.

I would love to have a couple of hours to tell you about all of the accomplishments with the Anacostia River Walk and Release of Eagles and everything else, but I can tell you simply that we are making a difference in Anacostia, in this city and around the country. I think the success of our program was well profiled in January by Bill Moyers on PBS when he talked about the accomplishments of the Earth Conservation Corps. However, after saying that, I want to emphasize that it is a struggle year after year to provide the kind of financial base, the kind of support for kids of great need.

Our mission is very simple. Our mission is to empower endangered youth, to reclaim the Anacostia River

In terms of measuring results, that's always difficult, but we think that our underway survey of the graduates of our program will prove beyond a doubt that we've made a difference in terms of the future, and we've made a number of kids, most of the 320 kids that have been part of our program, a contributing part, a positively contributing part of our society. We also encourage you to come down and see first hand the many accomplishments.

The first three segments of the Anacostia River Walk are in place. This summer we will take a giant step forward and eventually we will be the prime development team putting together a 25-mile river walk that will resemble the trail that leads to Mount Vernon, but instead provide opportunities through the District of Columbia through the National Arboretum and others up to Bladensburg and back and connecting many features.

I also want to call your attention to one of the things that we have been involved in since 1994. We've released a total of 16 eagles, and I'm here to tell you that we now can proudly say that we have a successful nesting pair of eagles and hatched eaglets as of a week and a half ago. I'm delighted to tell you that the mayor and former executive director of USA Freedom Corps, John Bridgeland, have already seen that. We are not releasing pictures or information about exactly where they are until there is adequate protection for the nest. But I can tell you having seen it, you will be astonished by the dramatic view of eagles nesting and in the background the Washington

MS. MAUK: 50 percent.

MR. EISNER: The federal share is 55 percent, and the program operation match goes from 67 to 40 percent. I'm sorry. The match requirement goes from 33 to 60 percent. How is that working, and are there any particular challenges that there ever is? I know it's a broad question, but you can just compress the answer a little bit.

MS. SPENCER: We only have a few programs that are in that fold that have gone that long. The one that is the most significant is the lead agencies of community colleges, a

wonderful program, and they just believe this is their community investment. There's not a lot of direct benefit to that college, by the way, in their--because they're mentoring hospital, you know, hospital students. So it's a long range goal for them.

And also it's working in limited scale on those few long-term accounts, but just this year, we actually had one of our lead agencies--I don't want to say try to circumvent the process--but they realize that if they came on as a new program, their match would be reduced. So they applied differently.

MR. EISNER: That's interesting.

MS. SPENCER: Yes, I thought it was interesting too. They make more progress with that. But that told me that, you know, we're concerned about the graduated scale they were heading into. And I don't want to see that continue. So I've put together a team to look at that with some concern about our program of graduating up to the 60 percent. So I'm concerned about it. It's not successful in full because we have so few problems at that level.

MR. EISNER: Let me ask you about that. Two questions about your turnover. First of all, what do you attribute it to, and second of all, does that mean that you have a lot of programs in existence in Florida that used to receive support through the Commission but now do not, or is it more that there are a lot of programs that used to be in existence but now are not?

MS. SPENCER: You know I'm new.

MR. EISNER: I do know. Sorry.

MS. SPENCER: Yes, the 100 days--so I'm not sure. I can certainly get that answer to you in writing.

MR. EISNER: That would be terrific.

MS. SPENCER: So let me do that so I can make sure I'm accurate on that.

MR. EISNER: David, I have similar questions about California. I know that you've been experimenting for some years with requiring reductions in federal share on an annual basis.

MR. MURAKI: Right.

MR. EISNER: Is it working? Are you seeing particular challenges?

MR. MURAKI: Yes, we do require that over time--we do believe as well--that over time a well established program can reduce its federal share. And so we have the schedule that has certain characteristics to it which I think are required to make it successful. I don't believe that it's ever driven a program out of business, nor has it resulted in a reduction in the program's ability to deliver high impact quality services. And it has resulted in our ability to be able to reallocate some funds that we've recovered to starting new programs. So I do believe it has worked.

There are some characteristics, though. It's really a gradual and predictable reduction in the federal share over time. There's an establishment phase of four years. The first four years during which there is no reduction in federal share. There are adjustments to the reduction schedule to account for things like increased direct member support costs are kind of--increases. And we're able to do it portfolio-wide. So those are some of the characteristics.

MR. EISNER: Do you have exceptions?

MR. MURAKI: We do allow for an exception, and we've never granted one.

MR. EISNER: Really?

MR. MURAKI: Not they haven't been requested, but we've never granted one.

MR. EISNER: Thank you.

MS. MAUK: Derrick, I just wanted to ask you a quick question--the fact that you obviously work with, as you call them, endangered youth. Do you think that your costs are higher because of that? We've heard a lot over the last several testimonies about the higher costs associated with running programs like yours.

MR. CRANDALL: Absolutely. The costs of our educational activities are higher. Few if any of our kids have graduated from high school, and of course, our objective is to ensure that they have a GED by the time they complete their course. We also find an extraordinary cost in meeting the needs of these kids. We've lost six corps members, deaths, to violent ends and that requires a lot of one-to-one kind of work with the kids to deal with that. In fact, we lost one kid just in October of last year, Don Tieg, and I can't tell you the kind of disruption that that causes to a planned activity, be it undercuts our ability to do fee-for-service activities because we do have to be flexible to the influences on the lives of our corps members. Certainly we're proud of their accomplishments, but those are additional costs that we have to crank into our planning.

MS. MAUK: Thanks, and David, I have one last question for your panel. You really talked a lot about volunteer mobilization being part of the corps of capacity building, and I just want to make sure I heard you right. I thought you said that you thought that that was the way that all programs, Americorps programs, should be able to do capacity building.

MR. CRANDALL: We are open to other capacity building activities that might be valuable. Like I said, there are some that we just don't ever look forward to seeing, and as we've thought about the issue--I mean it's the Corporation on National Service, not the Corporation on

MS. MAUK: Okay, thanks.

MS. VAN DER VEER: Okay, I want to say thank you to panel one. Oh, Steve, do you have a question? I'm sorry.

MR. GOLDSMITH: I'm allowed--I'm here for another hour, and I'm allowed one question to each panel.

MS. VAN DER VEER: As many questions as you'd like, Steve.

MR. GOLDSMITH: Gretchen tried to take that. I have an observation and a question. As David said, there's no predetermined result that we hope that testimony will lead us to, although I think I can say safely that we agree that we're not looking for one model that fits for everybody and every program, right? So we have to tolerate a variety.

So in that sense, if 60 percent of your programs graduate, or if you have this turnover and a couple of you want this stipends left at the level they are, why wouldn't an alternative be the--instead of graduating from 12,5 to 0, that you would graduate from 12,5 to 9 to 6. I mean what--it seems to me that the graduation in the churn would allow some variety, would it not, in the average stipend, assuming the dollars don't--the gross dollars that you would have to allocate would stay the same, why would the stipends all need to be the same? Does the question make sense to Florida or California?

Well, you said you wanted the stipends to be the same. We have the 60 percent graduation rate, so David asked you about the sustainability of those that come off. Well, an alternative might be--question mark--that they would--instead of going from 12,5 to zero of 60 percent of them coming off, that they might go down a little bit instead of down to zero. And that would then mean the stipends wouldn't all be 12,5.

MR. MURAKI: Yes, maybe this is--terminology issues here, but we think that there should be a predictable gradual grant down.

MR. GOLDSMITH: Okay.

MR. MURAKI: Yes, and I think if it's accelerated too quickly, it really works against new programs because they bring your cost for the portfolio out.

MR. GOLDSMITH: Right, right. You do some of that--you do some form of--

MR. MURAKI: Yes.

MR. GOLDSMITH: Okay, got it. That's why I'm allowed one question because I can't say it in a way that anybody can answer it. But thank you.

MR. MURAKI: That was the answer.

MR. GOLDSMITH: That was the answer. That was the answer. Thank you.

MS. VAN DER VEER: Thank you, panel one, and panel two, before you get up, Eileen. You've been waiting very patiently, panel two, right there in the front row, but I have some special requests for people who have time considerations and have to leave early.

So I'm going to break with the pre-prescribed, pre-selected panel program, and ask for Bill Galston--are you here, Bill? Okay, Bill, can you come on up to the table since you have to leave early? Paul Schmitz from Public Allies also has a time constraint. Paul, can you please come up to the table? Paul. Okay, great. And then Susanna Connaughton from the DC Commission. Thank you. And panel two, we'll get right to you as soon as we can. Thank you.

Okay, go ahead and speak in that order, please. Bill and then Paul and then Susanna. Go ahead, Bill, four minutes.

MR. GALSTON: Right-o. My name is William Galston. I teach in the School of Public Affairs at the University of Maryland and direct the research center circle that focuses on the civic life of young people in this country.

I'm here today not because I follow the daily details of the administrative and policy issues in which Americorps is now wrestling, but rather because I was present at the creation of this program a decade ago and care deeply about its continuing vitality.

I assume we all share the goal of making Americorps not only bigger but also better. So the question is how. Our shared point of departure I believe must be the rule of law where the Congress has clearly expressed its intent both the Corporation and Americorps grantees have an obligation to comply. When the language is more open-ended, however, the regulatory process calls for balance judgments based on experience.

Let me apply these principles to the vexed issue of sustainability. Corps legislative language makes it crystal clear that from its inception the Congress has emphasized the importance of taking broad-based community support and multiple funding sources into account during the grant-making process. It is equally clear that the Congress now wants the Corporation to develop a clearer and more operational definition of sustainability.

It does not follow, however, that we should define sustainability as a program's ability to continue in the absence of Corporation funding. In many cases, this would be an unrealistic and counter-productive expectation. It would be perfectly reasonable, however, to require programs to demonstrate significant progress over time towards widening their community support and diversifying their funding base.

Now let me consider another issue, time limits, from the same rule of law perspective. I can find no evidence, though perhaps it exists, that either the Congress or the President intended to require that grantees be restricted to a fixed number of years. The regulatory question therefore is whether this would be a good idea. My answer is that it would not be for two reasons.

First, the Corporation ought to be funding the most effective and innovative programs it can find. But there are no time limits on effectiveness and innovation. Current grantees, I believe, should be allowed to compete with new entrance on a level playing field. There should be no presumption either for or against them. They should neither be grandfathered in nor jerry-mandered out.

Second, there are reasons to believe that many longer established programs are more able to garner community support and diversified funding sources. Time limits then could well work against the goal of sustainability.

A third issue on which I'll comment is capacity building. Many Americorps programs have contributed to recruiting and managing volunteers. This can be an excellent way of leveraging federal resources while enhancing the ability of local groups to serve

community needs. It does not make sense, however, to make volunteer recruitment or management a one-size-fits-all criterion binding on

every prospective Americorps grantee.

The reason not to do so is simple. There are many first-rate programs that do not use volunteers, and there's a broader consideration. While volunteering is an important kind of service, it is not the only kind. There should be ample room in Americorps for programs whose mission requires them to focus primarily on full-time participants.

A final issue, the one with which I will conclude, is performance measures. I am a strong proponent of requiring all grantees to specify such measures, and the law makes it clear that they must. It seems entirely reasonable, however, to require this-- moreover to require this as part of the grantmaking process. But everything I know about program evaluation suggests that it is unreasonable to expect most programs to show measurable results during their first year.

So I would recommend a balanced package of reforms. On the one hand, the grant award process should require a more detailed and rigorous specification of performance standards. On the other hand, rather than being required to implement the standards fully for interim progress reports, grantees should have the option at their discretion of phasing in their full use for final reports.

I would add another argument in favor of flexibility. The more rigid and onerous the reporting requirements, the more the playing field is tilted toward established programs that have well developed administrative infrastructure and a way for newer, smaller programs that do not. I don't think we want this to happen, and I'll submit the rest in written form. Thank you very much.

MS. VAN DER VEER: Great. Thank you so much, Bill. Paul, before you go, could I ask you and Susanna to allow Matthew Spalding to join the panel? We'll go ahead, and he's now arrived and have him join this particular panel. Thank you. Okay, Paul. Four minutes, please.

MR. SCHMITZ: Sure. Okay. My name is Paul Schmitz. I'm the president and CEO of Public Allies. Our mission is to advance diverse young leaders, to strengthen communities, non-profits, and civic participation. We've had over 1500 Americorps members participate over the last decade in 11 communities. And I want to just put out a few facts about us that are contacts for the comments I'll make.

One is that the diversity of our corps is about two thirds people of color, about 60 percent women, about half college graduates. So we have a very diverse corps. Our primary service vehicles placing members in other small community-based organizations where they serve full-time while we provide intensive leadership development.

Our community partners beyond the service that we provide benefit in many ways. Seventy-nine percent report new collaboration; 69 percent increased volunteerism; 63 percent, improved supervision skills; 44 percent improved their evaluation systems; and 84 percent last year reported that they'd be able to sustain the service their members did beyond their term.

Our alumnae--over 80 percent of our alumnae continue careers in community and public service; 78 percent volunteer; 67 percent donate to charity; 60 percent mentor a young person; and over 30 percent serve on non-profit boards. They're a very highly engaged group of people.

I want to give my comments in three sections based on your criteria--quality, innovation and sustainability. In terms of quality, our main concern is performance measures for intermediaries. Placing members in multiple organizations makes aggregating impacts quite difficult and result in either lowest common denominator impacts, or requiring needs to find by the intermediary rather than the community. We believe communities and community-based organizations should define what service they need.

It is essential therefore to demonstrate systems for tracking multiple impacts and outcomes rather than requiring aggregate outcomes that don't make sense. We also believe that for programs with a greater focus on member development, tracking volunteers and civic engagement of alumnae is an important measure of success.

As far as innovation, we want to focus on capacity building and recognize that in our program, our members recruited--over 200 members recruited over 6,000 volunteers in 45,000 volunteer hours last year. We matched 15 percent of our service time with volunteer hours typically. And 41 percent of our non-profits are small community-based organizations with fewer than 10 employees, \$500,000 budget, and 11 percent are faith-based organizations.

We find that they need support in many ways--volunteer generation being an important one, but again we believe that they need many more things. Many of them seek help and support in a variety of ways, and we believe that the community-based organizations again should define the best way for us to build the capacity, not for us to impose on them our definition of the capacity they need.

Let me also state that, somewhat more controversially, that Public Allies also finds, especially with our faith-based partners, that the restrictions on advocacy create a problem. We do believe that members--that all service should be directed towards service outcomes, but also believe that at times, they should be restricted no more than the average 501C3.

As far as sustainability, we want to make a couple points about what we hope the definition will entail. One is that it should be defined by--we believe sustainability should be defined most by the lasting impact of a program's service, not just by dollars. We believe that there should be flexibility for different sizes of communities and community-based organizations. We have programs in 11 communities that are of a very different funding markets and also the non-profit partners we have are very different sizes, and increasing the match to them would create an incentive for placing people in larger organizations rather than smaller.

We should also look at the reality of the non-profit funding market where over a third of all non-profit revenues come from government. We also think there should be incentive for efficiency. Increased fund-raising means increase fund-raising costs and such added costs don't count as match. Fifth, some programs are more expensive because of multiple outcomes they achieve.

And finally we believe competition is the best way to ensure both success and sustainability. We've actually paused and shut down sites because of performance, and we believe a high performance yields best practices and technical assistance to the field, and technically, one last point, which is that we'd like to see the 66 percent match be applied to the whole program budget and not subdivided to 85 percent for member support and 66 percent for operating. We find it's actually easier to raise money for member support costs that are direct than for operating. And so we can actually create more match in one area, and it's harder to raise operating money for non-profits. So we believe that a 66 percent overall as a match is better than the 85-66 currently.

MS. VAN DER VEER: Thank you, Paul. Susanna.

MS. CONNAUGHTON: Thank you for considering our time constraints. My name is Susanna Bolton-Connaughton. I'm a Washington, D.C. native and an active volunteer, and a member of the D.C. Commission on National and Community Service.

Thank you for this opportunity to share the Commission's perspective on policies that can help our state commission and others advance the principles laid out in President Bush's February 27th Executive Order. Our D.C.

Commission is committed to working with the Corporation to establish rules that will enable us to fund quality programs that meet the critical needs in Washington, D.C.

We will work with you to expand the capacity of local organizations to support their activities with private and other non-federal sources of funds. Our Commission administers two Americorps state programs, two learn and serve programs, and an Americorps homeland security program. We also coordinate a citizen corps council and programs that are engaging thousands of volunteers in preparing for and protecting against threats to our nation's capital, both natural and man-made.

In separate testimony, Americorps program representatives will tell you about the vital services they offer. They are among a thousand national service participants supported by our commission, dedicated to serving the educational, environmental, public safety, and human needs of this community.

Our commission was founded less than four years ago, but is already found great success in supporting Washington, D.C.'s faith-based and community organizations in meeting the needs of our community. This accomplishment includes success in implementing best practices in selecting, funding, monitoring and replicating the success of local Americorps supportive programs. We therefore support and gladly accept measurement of our performance and accountability for results.

But as you proceed with the rulemaking, we urge you to preserve our flexibility to make decisions at the local level based upon local needs. In order to guarantee that we will continue to deliver the outstanding results the president is seeking. We are concerned that certain changes that may be under consideration by the Corporation, such as time limits on funding, impede our progress to oversee grant-making relevant to local circumstances, such as what you heard about with the Earth Conservation Corps.

We appreciate the Corporation's interest in leveraging federal resources to support the growth and development of national service. We need the flexibility to support real

programs that meet real needs in D.C. based upon the needs of those programs, regardless, for example, of whether a particular program has received funds before, or how well its annual private fund-raising is proceeding.

Sustainable service is a particular focus for our commission. We offer day-to-day training and technical assistance to myriad Washington, D.C. organizations. If we cannot offer these organizations support that is consistent and easily understood, we cannot effectively work with them to address the instability of the philanthropic community upon which they depend for non-federal support.

Our assistance is what helps them avoid cutting services to those in the greatest need of help. We look forward to the development of reforms to strengthen Americorps. As you continue your discussions and rulemaking, we therefore ask that you consider these three core points--one, to be effective in the accountability system for state commissions must not only measure commission results and make them responsible for those, but also preserve the Commission's flexibility to make critical decisions based upon the needs of the community they serve.

Two, as you mentioned in your introductory remarks, faith-based and community organizations need stable federal funding to sustain effective programs and enhance their ability to attract and retain private and foundation partners over long terms. All of these organizations depend upon creating balanced public and private partnerships.

And three, the focus of the organizations we support and should remain upon offering quality service to children, adults and families and needs. We will continue to work with them on the practices and programs they need to support those activities with additional sources of funding, but we must also be able to offer them real and stable support.

Thank you for this opportunity and our D.C. Commission looks forward to continuing to provide you with effective information about our work to support and expand national service in the District of Columbia.

MS. VAN DER VEER: Susanna, thank you. Matt, it's your turn. Four minutes, please.

MR. SPALDING: Thank you. My name is Matthew Spalding. I direct the Center for American Studies at the Heritage Foundation.

Let me begin by noting that I am a friendly critic of the program. However, I do believe that one could design these programs to be a citizen service initiative that is compatible with what I think are the principles of self-government and civil society. The primary goal of citizen service should be to protect and strengthen civil society, especially the non-governmental institutions at its foundation. Likewise, I believe that an expanded role of government in the voluntary sector is unwise and counter-productive.

With those ideas in mind, let me suggest four areas of rulemaking that I think would help conform these programs to a citizen service initiative compatible with the administration's objectives, I believe. First, focus on service. The goal should be not to engage citizens in a government program necessarily, nor to create an artificial bond between individuals in the state or organizations, for that matter, but to energize the culture of personal compassion and civic commitment to those in need. It shouldn't be a

tool for education reform or a platform for political or social activism, or even a method of civic engagement, but service.

Second, I think the program should address real problems. If we want to encourage citizen service, and if we want to foster a culture of responsibility towards less fortunate, service programs should be targeted and address serious problems where there is authentic need for assistance. Such assistance should be provided in accordance with the larger traditions of compassion and service. In determining which programs to recognize, support and commend, I suggest practical distinctions between programs that meet critical needs and those that are not vital to societal well-being. In short, weed out things that are frivolous, controversial and special interest focused.

Third, I think rulemaking should focus on making the program a stimulus program. The argument on behalf of Americorps as I understand it is that it's managerial. It's not a jobs program.

It's managerial program needed to provide infrastructure necessary to recruit other volunteers; that is, it's about leveraging. This suggests to me that the government's role in promoting citizen service is a stimulus package revitalizing civil society more than a permanent federal program. If so, I believe you should limit the number of years that organizations can take Americorps participants and funds. This is not a source of permanent funding stream. It's seed money not life support.

I also believe you should cap the number of years and amount of funds of any one organization can receive through any of your programs. Too much time and too much money, especially relative to the budget of a particular organization, creates dependence rather than encouraging social entrepreneurship which is the objective.

I do believe you must have design and have real and effective measurements to evaluate the success of programs according to your principles and objectives. Majoring leveraging capacity-building is extremely important. I would defer to others as to how to figure out how to do that.

And fourth, make programs consistent with other policies. Three very quick particular examples. Any participants who serve as tutors must have earned or be on track to obtain a high school diploma. To qualify, literacy programs must be routed in scientifically based research and reading instructions defined in the No-Child-Left-Behind Act.

Second, any programs that teach health or sex education must be requirements set for abstinence programs as defined already in Title V of the Social Security Act.

And fourth, I'm concerned about barriers to religious liberty. Current laws for national service programs specifically prohibit any individual operating in national service programs for making employment decisions or choosing volunteers on the basis of religion. The Citizen Service Act of 2002 recognizes this problem, tried to address it, but didn't adequately do it. I think that needs to be addressed.

Citizen service has always been at the heart of this administration and the last administration's program at a time when we were volunteering and engaging in service in unprecedented numbers. I think it is possible to design a true citizens service

program that is consistent with the principles of self-government, a vibrance of society, and the principles of personal responsibility of independent citizenship and civic volunteerism. And I hope I've suggested some ways of rulemaking that move in that direction. Thank you.

MS. VAN DER VEER: Thank you, Matt. In an attempt to rectify my previous faux pas, I'm going to ask our chairman if he has any questions first.

MR. GOLDSMITH: No. I have no questions. I just want to--I want to thank this particular panel and the previous one. A lot of folks have spent an enormous amount of time thinking about this program, doing it and thinking about it, and the comments have been very helpful. And I've learned my lesson. I'm asking no further questions.

MS. VAN DER VEER: David and Rosie.

MR. EISNER: Paul, I want to make sure I understand what you're suggesting around performance measurements. I heard loud and clear your saying that the measures need to include the measures that are derived at the grass roots and at the local level. Are you also saying that there should not be any overlay of standardization? That there's no utility in finding organizational or, you know, buckets or sets that could help standardize it so that we can roll the information up?

MR. SCHMITZ: I think the challenge comes when--I think there's some utility. I think there needs to be, though, also flexibility, and I think that what I worry about is at the federal level identifying certain outcomes and then programs at a local level must then impose that in a community regardless of whether that's the best need to serve or not. And so I think that what our experience has been is that because of the variety of organizations from helping ex-convicts go back into the work force to running health programs at a Boys and Girls Club to doing civic--being a teaching assistant at a civic education at a charter school, there's a wide variety of things that if you try to aggregate those in some way, beside maybe they all walking someone across the street at some point, it's hard to find a common denominator. And I think that really communities and community-based organizations, if this is going to really support those groups, needs to serve their needs as their community define it and not necessarily at a national level defined.

But I think there are certain things, such as in youth development, and other things in other areas that across the country many groups will do. I mean 60 percent of our members serve youth in some way, and so there are certain things you can put together. But as I said, when we try and package the whole, especially in any community, you lose a lot of the value, and you lose a lot of the high performance stuff that happens.

MR. EISNER: Thank you very much.

MS. MAUK: Susanna, I know your commission's pretty new as compared to some of the other--most of the other commissions. So I'm guessing--I don't know this--but probably when Deborah stepped into the position that maybe there was some learning experiences from the other commissions. And I don't know the answer to this. Do you have any sustainability plans within your Commission, or you may not feel comfortable answering that.

MS. CONNAUGHTON: Well, I'm newer than Deborah even. But we're in the process of developing them, and we probably would be happy to pass on to you what we come up with and finalize.

MS. MAUK: Great.

MS. CONNAUGHTON: If that would be helpful.

MS. MAUK: Thank you. Thanks. And Paul, the statistics that you roll off, I was thinking, oh, my God, David's going to say why don't we--can't we roll off those kinds of statistics on all Americorps members, and I just want to acknowledge that you all have an amazing reporting process that I've seen.

MR. GOLDSMITH: I've got to ask Galston a question. You know, I may leave before the last panel's over with. You think about these things deeply, and you and Matt are kind of nice, kind of philosophical, you know, juxtapositions. You can reasonably conclude that good programs should be sustained--should be funded for a long period of time based on efficacy, and I thought your comments were helpful. How would you do that and leave air in the system for new programs to grow if you assume that the dollars--let me do it this way. If the enormous increase that we received this year, the President's budget in Congress, is unlikely to occur at that level in the near future, right? So how do you leave air in the system for new guys to grow and still maintain the model that you advocate?

MR. GALSTON: Well, Steve, I can answer your question in two ways. One within the constraints that you've laid down, and the other outside of them. Let me do the easy one first. As someone present at the creation, I believed that by now Americorps would be much bigger than it is, and I continue to believe that it ought to be much bigger than it is. And if it were as big as it ought to be, then your problem would be significantly less burdensome than your presenting it.

Within the constraints that you've laid down, I believe, and this is the part of my written testimony that I did not have enough time to present, I believe that it would make sense to carve out different sorts of sub-funds within Americorps, at least one of which would be thought of as an innovation or venture capital fund, and that would be used explicitly to catalyze the sorts of new ideas, smaller groups with things that perhaps haven't been considered before. And I would think over the next three or four or five years about how to structure the total flow of funds so that there is a built-in incentive for and guaranteed support for genuine new innovative ideas. And I think that is compatible with the absence of time limits.

Let me just say one other thing, and this, you know, will perhaps get my friend Matt into the conversation, even if nobody invited him. And that is that, you know, the, you know, the vision of the Corporation that Matt articulated is, you know, is I think a personal vision on his part, you know. I do not fully recognize it as the intent of the members of Congress who passed the legislation under which--

MR. SPALDING: I never said it was.

MR. SCHMITZ: Yes--no, no.

MR. SPALDING: It's never been authorized.

MR. SCHMITZ: Right. At any rate, so the question, you know--so then the real question is what should the elements of the guiding vision be, and a competing vision would be that Americorps is as much about encouraging strong and vital citizenship as it is about service understood in the compassionate, conservative mode. And indeed those two streams of thought flowed into the thinking that I think led to the original legislation. And so I am--you know, that's why I say I'm comfortable with the idea of the use of Americorps volunteers for leveraging--Americorps participants for leveraging lots of volunteers and for, you know, catalyzing volunteer service at the local level. But I'm equally comfortable with the notion of full-time service as part of Americorps that wouldn't necessarily do that, and that was part of the original vision as much as anything else.

Now you may argue--

MR. EISNER: I'm afraid we're going to have to move into another panel. As frankly interesting as it is, and as much as we'd love to have the panels discuss these things, I think we need to get other input.

MS. VAN DER VEER: David jumped in there for me.

MR. EISNER: Thank you.

MS. VAN DER VEER: And I appreciate--thank you very much, panel two. Panel three now. You have been waiting patiently. Steve Nelson from the Montana Commission, Pat Kells from the Kansas Commission, Ann Peton from the Rural Policy Research in Idaho, and Eileen Cackowski from the Kentucky Commission. If we could have you speaking in the order of Steve, Pat, Ann and Eileen.

Then I need on deck, please, David Campbell from the McGregor Fund, if you could come right down front here, please. Darrin McKeever from Heads Up. Come down on front, please. Joyce Bennett from the D.C. Metro, Director for U.S. Vets, down front, please, and Mike Wang from the Louisiana Commission. I need those four individuals in the front row.

So you have your own idea about how you'd like to--someone else would like to lead off? Okay. Eileen.

MS. CACKOWSKI: Thank you. Mr. Eisner, Ms. Mauk, friends and service and volunteerism, it's my pleasure, it's my responsibility to share my insights on the rulemaking process.

I want to illustrate the effect of the rules in the Commonwealth

The next map of Kentucky shows in color the counties that do not even have jobs available for those wanting to work. The red counties are those not having enough jobs. Cutting federal share cuts programs, cuts members and hurts. The federal share was cut last year. We know what it feels like. My solution? Please develop different capacity building and sustainability formula for urban, rural and near desolate areas.

The sustainability and capacity building ideas now look great on paper in a desk in Washington. I used to work here. The reality is a little bit different. Someone yesterday at--one of the speakers got up and said, or characterized Kentucky as a philanthropic wasteland.

CNCS, my second point, volunteers sent an excellent article to us, or referred us to an excellent article on volunteer management, written by the Urban Institute. If you'll just read the key findings in that article, you'll see that good capacity building is like any other kind of building. You need a foundation.

Americorps members have a lot to accomplish in 1700 hours. Volunteer management is a worthy profession. I've taught volunteer management for the last 20 years across North America. To recruit is the ninth thing on my list of good management. If having a program that will outlive the term of the Americorps members, what we're striving for, it's not appropriate for every Americorps member to become a volunteer manager. I don't want my members to do a shabby job because they don't have time or tools. Jack-of-all-trade and master of none is not a good legacy.

Finally, my last map, and this one too bleeds. The sections in red show distressed areas with 20 percent of the households living below poverty, and the brown areas are 40 percent that live below poverty. I have a small version of it here. This is actually the same map, and the overlay shows that this is where we put our Americorps members. We have Americorps members in those areas. The rules must be equitable, but equitable does not mean the same. Please consider accessibility, and in the name of Kentucky Americorps, thank you.

MS. VAN DER VEER: Eileen, thank you for your testimony and also for your visual aids. Steve, would you like to follow Eileen?

MR. NELSON: Sorry about that. We messed you up a little bit in your order there. My name is Steve Nelson, and I welcome the opportunity to appear before the committee and share a few thoughts from the great state of

We added, I think, 50 points to our peer review for continuation applications so that we--which was not required from the Corporation--so that we could get specific things about where they had been successful. And without that information, you can't make an informed decision about the capability of the program to continue. Thank you.

MS. VAN DER VEER: Thank you.

MS. KELLIS: I really had one more thing, but it's in the handout that I left out at the table. Thanks so much for the opportunity.

MS. VAN DER VEER: Thanks so much. We love written testimony. Ann, you're next.

MS. PETON: Hi, my name is Ann Peton, and I'm from the Rural Policy Research Institute. It's not necessarily out of

Primarily how it relates to what we're doing here is that RPRI provides information to help to support decision-making, placed-based decision-making at a community, state, regional and national level. And so Kelly contacted me and said that there was this

process of rulemaking. The need was to show the geographic potential, geographic disparities about how these different--and these changes to rules were going to impact not just rural America but folks across the United States and areas across the

I should note that AmeriCorps funding for Heads Up actually remained approximately level during this same period.

Were this a rulemaking process for a foundation or a dialogue about the philosophy of a new individual philanthropist, I might have an entirely different take on time limits or other sustainability measures. But we're not. We're talking about a government agency established to engage thousands of Americans each year in intensive service to meet critical needs in education, public safety, health and the environment.

Importantly, many of the fields supported by AmeriCorps are relatively new--environmental cleanup groups, after-school programs, affordable housing coalitions, and many others that are taking creative approaches to old problems without at times the benefit of a clear private sector or public sector financial model or a functioning market.

Term limiting or reducing the federal commitment over time not only has the potential to de-stabilize these programs and result in unnecessary churning of the AmeriCorps portfolio, but it can also stunt the emergence of policy solutions that have not yet had the chance to demonstrate their value.

I think it's easy for some in self-protective, knee-jerk modes to be dismissive of any policy change that could harm their individual organizations. But I don't think that's what is happening here. I think folks like me are genuinely concerned about the bigger picture. What would it mean for the national service field's capital structures, to borrow a business term, if a government agency like AmeriCorps began to take the stance that the private sector should ultimately absorb the federal share of what was once a public/private partnership?

As philanthropist Mario Marino and Share Our Strength founder, Billy Shore, and many others have noted in their testimony today, private sector solutions by themselves will not scale to the level of need. I have to assume you have an open mind, and so again, I thank you for this opportunity to contribute my thoughts. I'll be happy to take any questions.

MS. VAN DER VEER: Thank you, Darrin. Okay, Joyce. Four minutes, thank you.

MS. BURNETT: Okay. Good afternoon. My name is Joyce Burnett. I'm an employee and a former AmeriCorps member of U.S. Vet, a public/private partnership whose mission is the re-integration of homeless veterans.

Here in the nation's capital, there are between 1600 and 2,000 homeless veterans on the street and in shelters in a given night. Can we solve this problem? No, but here's what we can do. We can begin by placing AmeriCorps members where homeless people congregate and shelter soup kitchens and other organizations that try to plug the holes in the safety net.

We can use these members to identify the veterans among the homeless and connect them to the services they've earned. With 18 to 20 AmeriCorps members, we can help

1200 homeless veterans each year. Then what? We can network with these organizations and the veterans, connect them to healthcare and other benefits with the veterans service organizations, with job training and treatment programs. And once we assemble these community resources and our Americorps team, we can help these veterans put their lives back together again. Then what?

If they've gotten treatment, healthcare benefits, employment training and job assistance, they still need an affordable place to live. We can't solve the affordable housing crisis in the nation's capital, can we? But if we are around a while and become a trusted member of the community, and an opportunity to provide housing for homeless veterans arise, the community might come to us.

That's exactly what happened. This Americorps program began in 1997. The members helped an average of 1200 homeless veterans every year and became a positive fabric of the community. This is where I come in. I'm a veteran. I have a degree in computer information systems and a degree in inter-networking technology. Two years ago, after the IT world bottomed out, in five years, after this program began, I decided to turn my energy toward helping my fellow veterans by becoming a U.S. Vet Americorps member.

First, I created a basic computer skills and Internet class and towards veterans' help, set up e-mail accounts, do on-line job search while they were in a work-therapy program. I helped them to identify and market their skills, to build a resume, and to interview effectively. I helped unemployable, homeless vets get permanent jobs.

Last August, the community had 24 Shelter-Plus Care units and no housing provider. They approached U.S. Vets who found a surplus building and within months, the Americorps program, staff and 10 homeless veterans moved in together. Since that time, over 30 veterans have received support of housing services at this site. I've moved from Americorps to staff position, utilizing our community connections and donated computers. I've built a career center so every veteran has Internet access and e-mail accounts and access to training and job searches. I've also provided case management and sobriety support to our veterans.

I've talked about my part in this project, but I'm only one small part of the story--U.S. Vets with an empty building and an Americorps program, now in Los Angeles, Long Beach, Riverside, California, Las Vegas, Houston, Honolulu, Phoenix, Prescott, Arizona, and here in Washington, D.C. U.S. Vets with the help of over a hundred Americorps members is housing over 13 homeless veterans every night. Thank you.

MS. VAN DER VEER: Thank you, Joyce, and thank you for your services as an Americorps member. David and Rosie, questions for this group?

MR. EISNER: You meant Mike.

MS. VAN DER VEER: I'm sorry. Well, would you like to speak, Mike?

MR. WANG: Sure.

MS. VAN DER VEER: Why don't you go ahead?

MR. WANG: Thank you. Good afternoon, and thank you for the opportunity to participate today. My name is Mike Wang, and I am the executive director of the Louisiana Serve Commission. Prior to that I was a commissioner, and prior to that I was an Americorps member in Louisiana, so I come at this from a couple different angles.

But I'm here today representing my commission in what I need to compliment you all, having been involved in other agency rulemaking process, what I see to be a very accessible process. So thank you.

I approach this differently a little bit from my colleagues sitting on the panel this afternoon in that we see our role as Louisiana Serve Commission as your partner in the state of Louisiana with the very specific goal of creating an environment in which folks like those sitting on either side of me can most effectively undertake the mission that you and that Congress has given them through the Corporation.

And to illustrate how it is we do that, I want to draw an analogy from the private sector because I know Mr. Eisner with a background in business--I hope that this will speak to you. And that is when the state seeks to grow its economy, to promote economic development, there are three levers that it looks at. States look at the availability of capital, they look at having a stable and predictable infrastructure, and they look at the development of a qualified work force. And I think that there's a very instructive comparison to be made when we as a state Commission seek to grow service rather than grow the economy and the business community in the state.

Specifically, of course, it goes without saying that we engage in the development of work force through developing a civically engaged body of individuals with our Americorps programs, and I think this whole rulemaking process is really about the development of a stable and predictable infrastructure. But what I want to talk about is access to capital and why that's so important. And, of course, when I talk about that, we're really talking about sustainability.

And let me be clear about this, and I'm going to echo what I think someone from Public Allies said earlier, and that is that when we look at sustainability, it is far, far more important to those of us in Louisiana and I think to many of the folks in the room that we talk about the sustainability of impact rather than the sustainability of any specific program. And that's maybe a subtle distinction, but I think a critically important one and one that is central to this whole discussion.

And when we talk about sustainability, we're really talking about the criteria for accessing that capital that's out there to grow service. And we believe that return on investment ought to be a critical piece in that criteria. But let's be clear when we say that examining return on investment which is, of course, in the private sector singularly the most important factor, is at times mutually exclusive from other independent variables such as time. Very clearly, if we make decisions based on access to capital on timing of a program, that could very much fly in the face of return on investment. I think that goes against ultimately where you and where Congress wants to go.

Secondly, another important criteria is the idea of leverage and diversity of support. What we are seeking to do in Louisiana is to create a yearning for the needs that these programs address, particularly in those communities that have no other way of addressing them. That's very different from a sense of entitlement and it's important because it creates buy-in.

Thirdly, and that is a goal for the states. I think it goes without saying that the states are closest to the ground, at least with respect to the Corporation, and, you know, the truth is that we are better positioned to ensure geographic and demographic diversity and really to sort of surf the political nuances in order to effectively create an environment like the one I'm discussing. So it's important that in any role of sustainability, we the states have an opportunity on an individual state basis to participate.

Finally, I want to just recognize the concerns that have been expressed about this becoming an entitlement. We would be fooling ourselves not to grab that bull by the horns and address it, but let's not try to fix a problem here by applying a round wrench to a square bolt, and that's what we're doing. The way you address entitlement is by looking at accountability, which I think you've heard today, we as a collective service body are in support of, and by looking at the idea of return of investment, not the idea of sustainability, which is sort of a different piece. So thank you, and we look forward to submitting the rest of our comments in written form.

MS. VAN DER VEER: Mike, thank you.

MR. WANG: Thank you.

MS. VAN DER VEER: Questions for this panel.

MR. EISNER: I actually have a lot, but I'm going to limit it in this forum because we still have so many people to hear from. Darrin, I was very concerned at what I heard you say--what I thought I heard you say about the Corporation--I believe you said that leaking potential solutions and then the idea of rumors of solutions adding to the smoke--where there's smoke, there's fire, and I was hoping you'd comment further on that.

MR. MCKEEVER: I was perhaps--I could've used different language. Let me be clear at that. I know of no leaks specifically from the Corporation coming out about this process, and so the rumors that I speak of are in the field and not coming directly from any staff.

MR. EISNER: Thank you. David, I wanted to make sure I heard what you were saying about City Year's capacity in Detroit

MR. EISNER: I don't think the two were mutually exclusive. You can have additional support and still as a--you know, increase a matching requirement. Maybe I'll ask it a different way. Do you agree that it can be appropriate that as an organization matures, moves from startup phase into more stability and then into growth stage that its capacity for increasing its match through other contributions goes up?

MR. CAMPBELL: I wouldn't want to be a final authority on that. As a member of the board, I'd really want to turn to the staff to help with that. There probably is some potential to work with a different match formula, but it is, I think, tough to get the private sector to step in and replace federal dollars public support.

MR. EISNER: I'm sure, thank you.

MS. MAUK: I have two quick--Joyce, you did a terrific job talking about the sustainability of the program and one thing leads to the next, to the next. I mean you

gave us a really good picture of how the program works. You didn't talk about--I would be just curious where all you get your match from and your--maybe just very thumbnail thoughts on increases of dollars that you might have to raise.

MS. BURNETT: Okay. I have my director here today, and she can basically answer that question.

MS. MAUK: Okay, well you can--if you wouldn't mind, maybe give us some written--thank you very much, and the same thing with Mike. Mike, you talked a lot about what you hope the Corporation will let the states do and the state commissions do, and maybe giving this some more in-depth--and maybe just some written testimony about--if you don't mind, how that might actually play out in the rules.

MR. WANG: Sure. We'd be delighted to. Thank you.

MS. MAUK: Okay, thanks.

MS. VAN DER VEER: Thank you, Joyce, Darrin, Mike and David. Okay, Sally, Mary, Stephanie and Adele, please come up to the table. And then on deck, we need Toby Chalberg from City Cares and John, is it Psocid, from Civil Works Baltimore? If I've pronounced your name wrong, I apologize. Those two individuals down front, please. Okay, Sally, you're the first speaker in this next group.

MS. PRADO: Rolling right along. Thank you for the opportunity to be here, and I'm here today representing the National Association of Service and Conservation Corps, NASCC, and the Save America Coalition, and I will say my name is Sally PRADO, and I serve as president of NASCC.

NASCC participated in the development of Save America Coalition positions and fully supports those recommendations. My comments today are specific to NASCC, and following to the idea category much as--or at least equally as much as the definite rule.

NASCC represents more than 100 programs across the nation of different size, experience, organization and government, enrolling 24,000 corps members annually. Many NASCC corps have participated in Americorps while others have not because they found its proposal to prospect onerous, match requirements too expensive in the administration and burdensome. The majority of NASCC--of corps members that come to NASCC corps are looking for a second chance. Sixty percent are young people of color; 50 percent enroll without a high school diploma; 55 percent come from homes where the annual income is less than \$15,000. A rigorous trend in evaluation reports positive outcomes for young people who join the corps, particularly striking gains for African American young men.

Service is an amazing vehicle for youth development. With 5500 and 50,000 young people dropping out of high school each year, and the Bush administration's focus on disadvantaged youth as evidenced by the White House's task force on disadvantaged youth, NASCC believes the priorities of the Corporation should include explicit recognition of the importance of programs with a well established track record and re-engaging disadvantaged youth by also providing essential service in their community.

The Corporation should develop specific rules for youth, service and contribution corps, while those engaging disadvantaged youths just as it has been directed to do for professional corps.

Any proposed rule must be sensitive to racial, ethnic and socio-economic diversity. No change in the program, or definition, i.e., sustainability, should make Americorps less diverse. The Corporation should do more to promote diversity so that Americorps looks more like America.

Service related to the environment has proven to be an especial useful activity for facilitating with development. NASCC believes that it should be maintained as a priority for the Corporation.

Rules should take into account the difficulties that programs in rural areas and their cities have in recruiting and also consider who the program intends to engage in service. Programs focusing enrollment on low income, out of school and minority young people have greater difficulty recruiting and retaining numbers. This is why providing child care and health care to low income Americorps corps members is so important.

A study of NASCC corps is a lesson in sustainability. Federal funding established corps beginning in the '60s. The federal investment disappeared by the mid-'80s, and corps became dependent on state and local resources, both public and private. NASCC corps have an amazingly diverse funding base with 25 percent of the total funding coming from fee-for-service projects. Access to federal dollars is critical to maintaining our funding base.

NASCC believes that sustainability should be synonymous with high quality. NASCC believes that incentives work. Any shifting of financial burden should be offset with incentives and with training and technical assistance in resource development.

NASCC believes that the Corporation should recognize the important role of intermediaries, particularly as it relates to allowing additional small community and faith-based organizations to participate in Americorps. Sensitivity to the youth corps model and the role of intermediaries should be reflected in the peer review process as well as in the rules in general. Thank you.

MS. VAN DER VEER: Thank you, Sally. Mary, you're next.

MS. FOLEY: Thank you. Hello, my name is Mary Foley. I'm the executive director of the Voluntary Action Center in Manassas, Virginia, the Volunteer Resource Center for the Greater Prince William community, but I'm also chair of the Volunteer Center National Network this year.

The Volunteer Center National Network is comprised of 360 individual centers servicing thousands of communities across America with four basic specific core competencies of service to those communities. We connect over two million people with opportunities to serve. We promote volunteering through a host of outlets and venues, best suited to those individual communities. We build the capacity for effective volunteering by training over 200,000 community leaders from more than 72,000 organizations and faith-based entities. And we participate in strategic alliances that strengthen that local infrastructure.

Thank you for the opportunity to provide feedback today.

Volunteerism affords neighborhoods with the purest form of community building, and if we really believe in the sustainability and impact of the Americorps members service to their community, then their focus must be on capacity building. Every community is different. It has different needs, different resources available to answer that need, but every member deserves to learn the basic human resource management from the local community's point of view.

Volunteer centers across America can help the members with volunteer management training, community leadership training and a host of other subjects that will give the members the skill set needed to be effective, to make a difference in that community.

The members need to be involved from the ground up. They need to design, implement, fund-raise, educate, market, tell the story over and over again so that they see how a well managed program thrives. They see the totality of that program in that local community, and they gain the valuable life skills for any profession they choose to pursue after their service.

The not-for-profit local grassroots sector is the greatest melting pot of individuals with other and past professions. I know teachers, business professionals, salespeople, scientists, retired former military, individuals very versed in working with government, those that don't have a clue of how government works, marketing managers and the list goes on and on. I'm not sure why this is, but I think it's a great opportunity for a young person to learn and experience from our knowledge and passion and our very basic need to produce results in our communities.

We should continue to look for ways to engage small community-based organizations in this effort of placing Americorps members by lowering the match requirements and making the reporting guidelines commensurate with the grant amounts.

I personally share in the good humor that gives us the payment management system where you can pull down resources that you need to operate for three days. Very frankly, I couldn't be bothered going every three days and pulling down money. So I wait 45, 60, 75 days out just to find out that my password has expired because I wasn't paying attention, and the payment management system is exactly that. It is the PMS system.

I would think that the bureaucracy could be amended to be a little more user friendly for a small organization. I appreciate that we as an industry have a unique ability, not only to make a huge difference in our little part of the world, but also have the ability to make a difference in the life of an Americorps member.

Thirty years later I can still see my first boss, my mentor, George Coleman's face and hear his counsel and wisdom. Wouldn't it be fun if that happened to most of us who had sponsored Americorps members? Thirty years down the road they thought the same of us. Thank you.

MS. VAN DER VEER: Thank you, Mary. Stephanie.

MS. DENACOLA: Hello, and thank you for allowing me to speak as well. My testimony was structured a little differently because I didn't realize I would be one of few Americorps alums that would be speaking today.

My name is Stephanie DeNacola. I served as an Americorps promise fellow from 2000 to 2001 at Youth Service America and here in Washington, D.C. I worked on the President's Student Service Challenge, which is a White House initiative that recognizes young people for outstanding community service. The names have changed. It's now known as the President's Volunteer Service Award and the President's Freedom Scholarship, but the promise is the same. It recognizes young people for service to their community. After I served as an Americorps member, I became the director of Fauquier County

So that's where we are, but before we close, I need to thank several people who helped make this meeting possible. Deborah Gist helped from the D.C. Commission; Bill Sundermeyer and Jeannie Sanders from ASC; and also Rhonda Taylor and David Premo from the Corporation really coordinated the logistics. So I want to thank those folks for their help in making this meeting possible. And at this point--

MR. EISNER: I also want to--

MS. VAN DER VEER: --going to turn it back to David Eisner, is what I was going to say, but he's always one step ahead of me.

MR. EISNER: I just want to thank everyone. I particularly want to thank all of the executive directors. I know that a lot of you left to do other things. I think there's still a bunch of you here in the room who have had so many terrific hours working here, and I want to thank a lot of the national directs who came here specifically to participate in this.

Like every other meeting, it's interesting. Each meeting is alike in many ways, but also very different. I personally learned a lot. I know Rosie did. I think it will make our ultimate rules better, and we really appreciate your participation.

I also want to point out a special guest. The new director of Freedom Corps, Desiree Sayle, is right here. I think that she is a strong supporter of us and of all of you, and we are very, very excited to have her there, and you should mob her and say hello right after we say good-bye, which is now. Good-bye. Thank you.

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Whereupon, at 3:29 p.m. , the public meeting adjourned.

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